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Attorneys for United States of America

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

v.

Approximately 69,370 Bitcoin (BTC), Bitcoin
Gold (BTG), Bitcoin SV (BSV), and Bitcoin
Cash (BCH) seized from
1HQ3Go3ggs8pFnXuHVHRytPCq5fGG8Hbhx

Defendant.

CASE NO. CV 20-7811 RS

DECLARATION OF CLAUDIA A. QUIROZ IN
SUPPORT OF UNITED STATES' REPLY IN
SUPPORT OF MOTION TO STRIKE THE
VERIFIED CLAIM OF CLAIMANT ILIJA
MATUSKO

Hearing Date: September 30, 2021
Time: 1:30 p.m.
Court: Hon. Richard Seeborg

ILIJA MATUSKO,

Claimant.

1 I, CLAUDIA A. QUIROZ, state as follows:

2 1. I am an Assistant United States Attorney in the Northern District of California. I am an
3 attorney of record in the above-referenced matter. I respectfully submit this declaration in Support of
4 the United States' Reply in Support of Motion to Strike the claim filed by Claimant Ilija Matusko.

5 2. On October 2, 2013, the United States commenced a civil action in the Southern District
6 of New York by filing a verified complaint seeking, among other things, forfeiture of the Silk Road
7 hidden website, any and all bitcoins contained in wallet files residing on Silk Road Servers, and all
8 property traceable thereto ("Defendants in Rem"). *See United States v. Any And All Assets of Silk Road,*
9 *Including But Not Limited To The Silk Road Hidden Website And Any And All Bitcoins Contained In*
10 *Wallet Files Residing On Silk Road Servers, Including The Servers Assigned The Following Internet*
11 *Protocol Addresses [] And All Property Traceable Thereto*, Case No. CV-13-06919, Dkt. No. 4
12 (S.D.N.Y. Oct. 2, 2013) (hereinafter "SDNY Civil Forfeiture Action"). The complaint sought forfeiture
13 of the Defendants in Rem pursuant to Title 18, United States Code, Section 981(a)(1)(A), on the grounds
14 that they constituted property involved in money laundering transactions, in violation of 18 U.S.C. §
15 1956. *Id.* The complaint also sought the imposition of civil money laundering penalties. *Id.*

16 3. On January 2, 2014, the United States Attorney's Office for the Southern District of New
17 York filed a Declaration of Publication that attached a Notice of Forfeiture for the Silk Road assets
18 seized on or about October 2, 2013. Attached to the Declaration of Claudia Quiroz in Support of the
19 Government's Motion to Strike the Claim of Claimant Ilija Matusko is Exhibit, a true and accurate copy
20 of the Declaration of Publication filed by the United States Attorney's Office in the SDNY Civil
21 Forfeiture Action on January 2, 2014 (Dkt. No. 13). The Notice of Forfeiture listed the property against
22 which the government filed a verified Complaint for Forfeiture pursuant to 18 U.S.C. 981. This
23 included "[a]ny and all assets of Silk Road, including but not limited to Silk Road Hidden Website,"
24 "[a]ny and all assets of Silk Road, including but not limited to any and all Bitcoins contained in wallet
25 files residing on Silk Road servers, including the servers assigned to" six different Internet Protocol
26 Addresses; and "[a]ny and all assets of Silk Road, including but not limited to 27,618.69843, Silk Road
27 Market Place Bitcoins as of block chain Account Number 262280 which was seized on or about October
28 02, 2013."

4. On January 8, 2014, the United States Attorney's Office for the Southern District of New York filed a separate Declaration of Publication that attached a second Notice of Forfeiture for the property seized from Ulbricht's computer and residence, including "all proceeds of all Bitcoins on Ulbricht's computer hardware traceable to the operation of Silk Road with public Key: 1FfmbHfnpaZjKFvyi1okTjJJusN455paPH which was seized on or about October 25, 2013 at 2825 Diamond Street, San Francisco, CA." Attached hereto as **Exhibit 1** is a true and accurate copy of the Declaration of Publication filed by the United States Attorney's Office in the SDNY Civil Forfeiture Action on January 8, 2014 (Dkt. No. 14).

5. On January 15, 2014, the District Court in the Southern District of New York entered a Partial Judgment by Default and Order of Forfeiture ordering the forfeiture of the Silk Road website and "any and all Bitcoins contained in the wallet files residing on Silk Road servers" (i.e., the "Silk Road Server Bitcoins"). The Court ordered that the government "shall have judgment by default against the Silk Road Hidden Website and the Silk Road Server Bitcoins" and ordered them forfeited to the United States. Attached hereto as **Exhibit 2** is a true and accurate copy of the District Court's Order (Dkt. No. 19.)

6. Attached hereto as **Exhibit 3** is a true and accurate copy of Government's Trial Exhibit 119 (Silk Road's "Buyer's guide"), which the government introduced into evidence in the trial of Ross Ulbricht in the matter of *United States of America v. Ross William Ulbricht*, Case No. 1:14-cr-99968-KBR (S.D.N.Y.). This and Exhibits 4 through 10 can be found on PACER in the matter of the *United States of America v. Ross William Ulbricht, also known as Dread Pirate Roberts, also known as Silk Road, also known as Sealed Defendant 1, also known as DPR*, Case No. 15-1815 (9th Cir.), Dkt. No. 121 (hereinafter the "Silk Road Appellate Record"). The guide emphasized the site's anonymity and advised users on how to protect their identities. In the section discussing "receiving address" it states: "From the moment you submit your order, to the moment it is displayed to your vendor, the information is fully encrypted and totally unreadable . . . as soon as your vendor marks your package with the address and confirms shipment, the address is deleted forever and is not retrievable. For the extra cautious, you can encrypt your information yourself with your vendor's public key so that even we at Silk Road would be unable to view it, even if we wanted to." *Id.* (SA-4-SA-5). Furthermore, the section

1 for “receiving packages” states: “Use a different, unrelated address than the one your item will be kept
2 such as a friends house or P.O. box. Once it arrives, transport it discretely to its final destination.” *Id.* at

3 2. It adds: “Do not sign for your package”, “[d]o not use your real name”, and “[i]f you follow these
4 guidelines, your chances of being detected are minimal.” *Id.*

5 7. Attached hereto as **Exhibit 4** is a true and accurate copy of Government’s Trial Exhibit¹
6 940F, which is a map depicting the countries with 10 or more Silk Road vendors (Silk Road Appellate
7 Record at SA-132).

8 8. Attached hereto as **Exhibit 5** is a true and accurate copy of Government’s Trial Exhibit
9 940G, which is a map depicting the countries with 100 or more Silk Road buyers (Silk Road Appellate
10 Record at SA-133).

11 9. Attached hereto as **Exhibit 6** is a true and accurate copy of Government’s Trial Exhibit
12 125J, which is a forum post by Ross Ulbricht addressed to the Silk Road community on January 10,
13 2012.

14 10. Attached hereto as **Exhibit 7** is a true and accurate copy of Government’s Trial Exhibit
15 240A, which is an excerpt of Ross Ulbricht’s 2010 journal.

16 11. Attached hereto as **Exhibit 8** is a true and accurate copy of Government’s Trial Exhibit
17 940A (Breakdown of Total Categorized Silk Road Sales).

18 12. Attached hereto as **Exhibit 9** is a true and accurate copy of Government’s Trial Exhibit
19 940B (Sales of Fake IDs, Forgeries, and Passports).

20 13. Attached hereto as **Exhibit 10** is a true and accurate copy of Government’s Trial Exhibit
21 940C (Sales in Money-Related Categories).

22 I declare under penalty of perjury that the foregoing is true and correct to the best of my
23 knowledge and belief. Executed this 9th day of September 2021 in San Francisco, California.

24 Claudia A. Quiroz

25 CLAUDIA A. QUIROZ
26 Assistant United States Attorney

27 ¹ Exhibits 4 through 10 attached to this declaration all consist of trial exhibits the government
28 introduced into evidence in the trial of Ross Ulbricht in the matter of *United States of America v. Ross William Ulbricht*, Case No. 1:14-cr-99968-KBR (S.D.N.Y). All highlighted text in the exhibits attached to this declaration are the government’s.

Exhibit 1

PREET BHARARA
 United States Attorney for the
 Southern District of New York
 By: CHRISTINE I. MAGDO
 Assistant United States Attorney
 One St. Andrew's Plaza
 New York, New York 10007
 Tel. (212) 637-2297

- - - - - x

UNITED STATES DISTRICT COURT :
 SOUTHERN DISTRICT OF NEW YORK :
 UNITED STATES OF AMERICA, :

Plaintiff, :

- v. - :

ROSS WILLIAM ULBRICHT, :
 a/k/a "Dread Pirate Roberts," :
 a/k/a "DPR," :
 a/k/a "Silk Road," :

Defendant, :

ANY AND ALL ASSETS OF SILK ROAD, :
 INCLUDING BUT NOT LIMITED TO THE :
 SILK ROAD HIDDEN WEBSITE AND ANY AND :
 ALL BITCOINS CONTAINED IN WALLET :
 FILES RESIDING ON SILK ROAD :
 SERVERS, INCLUDING THE SERVERS :
 ASSIGNED THE FOLLOWING INTERNET :
 PROTOCOL ADDRESSES: :
 46.183.219.244; 109.163.234.40; :
 193.107.86.34; 193.107.86.49; :
 207.106.6.25; AND 207.106.6.32; :

And all property traceable thereto, :

Defendants-in-rem. :

- - - - - x

DECLARATION OF
PUBLICATION

No. 13 Civ. 6919 (JPO)

ECF Case

I, CHRISTINE I. MAGDO, pursuant to Title 28, United States Code, Section 1746, hereby declare under the penalty of perjury:

That I am an Assistant United States Attorney in the office of the United States Attorney for the Southern District of New York, and

That attached to this declaration are (1) a true and correct copy of a notice of civil forfeiture in this action, (2) a true and correct copy of an Advertisement Certification Report, indicating that the aforementioned notice was posted on an official government internet site (www.forfeiture.gov) for at least 30 consecutive days, beginning on November 8, 2013 as required by Rule G(4) (a) (iv) (C) of the Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture Actions, and

That both documents referenced-above were obtained from a Consolidated Asset Tracking System maintained by the Department of Justice.

Dated: New York, New York
January 8, 2014


CHRISTINE I. MAGDO

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK
COURT CASE NUMBER: 13 CIV. 6919; NOTICE OF FORFEITURE ACTION**

Pursuant to 18 U.S.C. § 981, the United States filed a verified Complaint for Forfeiture against the following property:

50% of all proceeds of all Bitcoins on Ulbricht's computer hardware traceable to the operation of Silk Road with public Key: 1FfmbHfnpaZjKFvyi1okTjJJusN455paPH which was seized on or about October 25, 2013 at 2825 Diamond Street, San Fransisco, CA (14-DEA-590810)

50% of all proceeds of all Bitcoins on Ulbricht's computer hardware traceable to the operation of Silk Road with public Key: 1FfmbHfnpaZjKFvyi1okTjJJusN455paPH which was seized on or about October 25, 2013 at 2825 Diamond Street, San Fransisco, CA (14-FBI-000267)

Any person claiming a legal interest in the Defendant Property must file a verified Claim with the court within 60 days from the first day of publication (November 08, 2013) of this Notice on this official government internet web site and an Answer to the complaint or motion under Rule 12 of the Federal Rules of Civil Procedure within 21 days thereafter. 18 U.S.C. § 983(h)(1) permits a court to impose a civil fine on anyone asserting an interest in property which the court determines was frivolous.

The verified Claim and Answer must be filed with the Clerk of the Court, United States District Court, 500 Pearl Street, Room 120, New York, NY 10007, and copies of each served upon Assistant United States Attorney Christine Magdo, One St. Andrew's Plaza, New York, NY 10007, or default and forfeiture will be ordered. See, 18 U.S.C. § 983(a)(4)(A) and Rule G(5) of the Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture Actions.



Advertisement Certification Report

The Notice of Publication was available on the www.forfeiture.gov web site for at least 18 hours per day between November 8, 2013 and December 07, 2013. Below is a summary report that identifies the uptime for each day within the publication period and reports the results of the web monitoring system's daily check that verifies that the advertisement was available each day.

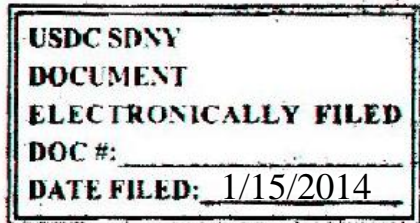
U.S. v. Ross William Ulbricht, Silk Road et. al

Court Case No: 13 CIV. 6919
For Asset ID(s): See Attached Advertisement Copy

Consecutive Calendar Day Count	Date Advertisement Appeared on the Web Site	Total Hours Web Site was Available during Calendar Day	Verification that Advertisement existed on Web Site
1	11/08/2013	23.9	Verified
2	11/09/2013	24.0	Verified
3	11/10/2013	24.0	Verified
4	11/11/2013	24.0	Verified
5	11/12/2013	24.0	Verified
6	11/13/2013	24.0	Verified
7	11/14/2013	24.0	Verified
8	11/15/2013	24.0	Verified
9	11/16/2013	24.0	Verified
10	11/17/2013	24.0	Verified
11	11/18/2013	24.0	Verified
12	11/19/2013	24.0	Verified
13	11/20/2013	24.0	Verified
14	11/21/2013	24.0	Verified
15	11/22/2013	24.0	Verified
16	11/23/2013	24.0	Verified
17	11/24/2013	24.0	Verified
18	11/25/2013	23.7	Verified
19	11/26/2013	24.0	Verified
20	11/27/2013	24.0	Verified
21	11/28/2013	24.0	Verified
22	11/29/2013	24.0	Verified
23	11/30/2013	24.0	Verified
24	12/01/2013	24.0	Verified
25	12/02/2013	24.0	Verified
26	12/03/2013	24.0	Verified
27	12/04/2013	24.0	Verified
28	12/05/2013	24.0	Verified
29	12/06/2013	24.0	Verified
30	12/07/2013	23.4	Verified

Additional log information is available and kept in the archives for 15 years after the asset has been disposed.

Exhibit 2



UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA,

Plaintiff,

-against-

ROSS WILLIAM ULBRICHT,
a/k/a "Dread Pirate Roberts,"
a/k/a "DPR,"
a/k/a "Silk Road,"

Defendant,

ANY AND ALL ASSETS OF SILK ROAD, INCLUDING
BUT NOT LIMITED TO THE SILK ROAD HIDDEN
WEBSITE AND ANY AND ALL BITCOINS CONTAINED
IN WALLET FILES RESIDING ON SILK ROAD
SERVERS, INCLUDING THE SERVERS ASSIGNED
THE FOLLOWING INTERNET PROTOCOL
ADDRESSES: 46.183.219.244;
109.163.234.40; 193.107.86.34;
193.107.86.49; 207.106.6.25; AND
207.106.6.32;

And all property traceable thereto,

Defendants-in-rem.

PARTIAL JUDGMENT BY
DEFAULT AND ORDER
OF FORFEITURE

No. 13 Civ. 6919 (JPO)

ECF Case

WHEREAS, on September 30, 2013, the United States commenced a civil action for the forfeiture of the above-referenced Any and All Assets of Silk Road, Including but not Limited to the Silk Road Hidden Website (the "Silk Road Hidden Website") and Any and All Bitcoins Contained in Wallet Files Residing on Silk Road Servers, Including the Servers Assigned the Following Internet

Protocol Addresses: 46.183.219.244; 109.163.234.40; 193.107.86.34; 193.107.86.49; 207.106.6.25; And 207.106.6.32, (the "Silk Road Server Bitcoins"); and all property traceable thereto (the "Traceable Property") (collectively, the "Defendants in Rem") by the filing of a Verified Complaint;

WHEREAS, the Traceable Property includes but is not limited to any and all bitcoins contained in wallet files residing on certain computer hardware belonging to Ross William Ulbricht ("Ulbricht"), that were seized on or about October 24, 2013 by the United States pursuant to a Court-ordered protective order (the "Computer Hardware Bitcoins");

WHEREAS, on or about November 8, 2013 a notice letter and copy of the Verified Complaint were sent by Federal Express to the following as counsel for Ross William Ulbricht:

Joshua Dratel, Esq.
Law Offices of Joshua L. Dratel P.C.
29 Broadway, Suite 1412
New York, NY 10006

WHEREAS, Ulbricht is the only individual known by the Government to have a potential interest in the Defendants in Rem;

WHEREAS, on or about December 12, 2013, Ulbricht filed a timely verified claim in this proceeding, asserting an ownership interest in the Computer Hardware Bitcoins;

WHEREAS, notice of the Verified Complaint against the Silk Road Hidden Website and the Silk Road Server Bitcoins was posted on the official government internet site, www.forfeiture.gov, for at least 30 consecutive days, beginning on October 18, 2013, and proof of such publication was filed with the Clerk of this Court on January 2, 2014;

WHEREAS, no claims or answers have been filed or made in this judicial forfeiture action as to Silk Road Hidden Website and the Silk Road Server Bitcoins, and the requisite time periods in which to do so, as set forth in 18 U.S.C. § 983(a)(4)(A) and Rule G of the Supplement Rules for Admiralty or Maritime Claims and Asset Forfeiture Claims, have expired;

NOW THEREFORE, on the motion of Preet Bharara, United States Attorney for the Southern District of New York, attorney for the plaintiff United States of America, by Assistant United States Attorney Christine I. Magdo, of counsel;

IT IS HEREBY ORDERED THAT:

1. Plaintiff United States of America shall have judgment by default against the Silk Road Hidden Website and the Silk Road Server Bitcoins.

2. The Silk Road Hidden Website and the Silk Road Server Bitcoins shall be, and the same hereby are, forfeited to the plaintiff United States of America.

3. The United States Marshals Service shall dispose of the Silk Road Hidden Website and the Silk Road Server Bitcoins according to law.

4. This action shall remain pending with respect to Any and All Assets of Silk Road and All Property Traceable Thereto, including but not limited to the Computer Hardware Bitcoins.

SO ORDERED:

A handwritten signature in black ink, appearing to read "J. Paul Oetken", is written over a horizontal line.

J. PAUL OETKEN
United States District Judge

January 15, 2014

Exhibit 3

SA-4

File Edit View History Bookmarks Tools Help

Books | Silk Road Buyer's guide - Sil... Security BTC \$18.65? Browser-based wallet... Bitcoin Transaction b... Toolbox | DNSstuff

dkn255hz262ypmil.onion/wiki/index.php/Buyer's_guide magicaltux bitcoin forum Log in

Navigation

Main page
Community portal
Current events
Recent changes
Random page
Help

Toolbox

What links here
Related changes
Special pages
Printable version
Permanent link

GOVERNMENT EXHIBIT 119
14 Cr. 68 (KBF)

Page Discussion Read View source View history Go Search

Buyer's guide

The currency used to buy stuff on Silk Road are Bitcoin. Bitcoin uses encryption and a system of peer-to-peer double checking to create a completely digital currency. No personal information is associated with your bitcoins at all, making them ideal for anonymous transactions. Additionally, Silk Road employs a built-in tumbler that mixes all incoming bitcoins through a series of dummy transactions before they ever leave. Click here for instructions on how to get Bitcoins, or visit Bitcoin.org to learn more.

Silk Road employs a escrow system for all transaction. This means that when you make a order the bitcoins are deducted from you wallet, moves into a temporary escrow account, then after the vendor sends to order they confirm it being sent. When you receive the package, you confirm it being received and the vendor revives the coin. If for whatever reason you do not receive the package you can send the order into resolution, where you and the vendor can resolve the problem or should that not work Silk Road will step in and resolve the issue. Keep in mind this system is to prevent fraud on both the end of the seller and the buyer.

Contents [hide]

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- 6 Receiving packages
- 7 Purchasing statistics
- 8 Final note

Connecting to Hidden Services

Connecting to Hidden Services main article

If you are reading this now, you have at least figured out how to access a tor hidden service, good job :) You have either installed tor and configured your browser to use it, or you are using a proxy such as tor2web. We strongly encourage you to connect to the hidden service directly rather than going through a proxy as it is much more secure and anonymous. The **Tor Browser Bundle** is available for all major platforms.

Getting bitcoins

Bitcoin main article

Click here for a list of reputable exchangers that will take many different forms of payment for Bitcoins. When they ask for your receiving address, give them the address on your account page that looks something like this:

1E8sKdGWSy9ysm5ndCbBfdySZRhIPwmYDr

Your deposit will appear in your account once the Bitcoin network confirms your transfer. This can take up to an hour or more. If for some reason your transfer doesn't come through, just let us know and be sure to include the address you sent the coins to.

Your account has a built-in eWallet for Bitcoins, so you can buy and sell here without ever having to worry about third-party services at all. When you sell something, your account is credited, and when you buy something, it is debited.

Shopping Cart

Shopping Cart main article

The first step to placing an order is selecting the items you want to purchase by adding them to your shopping cart. From the cart, you may increase the quantity of your purchase, and select the appropriate postage option. See your vendor's page or the item description for postage instructions. When you've chosen your postage and quantity, click "update cart" to confirm the changes. Once your cart is ready, you must enter the address you would like your items sent to. **This is the one point in the process where some kind of personal information is revealed.** We take this very seriously and have taken every precaution to protect it.

Receiving address

From the moment you submit your order, to the moment it is displayed to your vendor, the information is fully encrypted and totally unreadable. Then, as soon as your vendor marks your package with the address and confirms shipment, the address is deleted forever and is not retrievable. For the extra cautious, you can encrypt your information yourself with your vendor's public key so that even we at Silk Road would be unable to view it, even if we wanted to. See below for more ways to be safe.

Payment

If you have enough funds in your account to cover your purchase, then your order will be validated instantly and sent on to your vendor. If not, then you must deposit enough Bitcoins into your account to cover your total.

When your order ships, its status will change from "processing" to "in transit." Now just kick back and wait for it to arrive. Once it does, don't forget to click "finalize" next to your order and leave feedback :)

SA-5

Tumbler

Just when you thought Silk Road couldn't be more secure, we went one step further. The tumbler sends all payments through a complex, semi-random series of dummy transactions, each with a new, one-use receiving address, making it nearly impossible to link your payment with any coins leaving the site. The quantity, frequency, and number of transactions are all varied chaotically in a way that mimics the transactions of the bitcoin economy as a whole.

Escrow

Escrow main article

Our commitment is to total satisfaction for each and every purchase you make here. If your package never arrives or is not in the condition you expected, you may have a chance at a full or partial refund of the purchase price. Just click "resolve" next to your order. Our resolution center gives you total flexibility in working out a mutually agreeable outcome with your vendor, whether you want to request a full or partial refund, release payment to your vendor, or extend the time you wait for arrival. In the rare event that an agreement can't be made, a Silk Road admin will be right there to mediate and investigate if necessary. The vast majority of orders are filled exactly as expected, but to avoid even the rare hang up, we strongly encourage you to read your vendor's feedback and ask questions of them ahead of time.

NEVER go around the escrow and pay a vendor directly. We will be totally unable to protect you in this event and the vendor will have much less motivation to serve you well. People HAVE been scammed this way. If a seller requests that you pay them directly, please let us know so we can address the situation.

Escrow hedge

Unfortunately, the Bitcoin exchange rate isn't as stable as we would all like it to be, and can fluctuate wildly in a matter of hours, let alone the days or weeks it takes for a package to arrive. Because of this, there is a real danger that the Bitcoins being held in your escrow account will lose value by the time your vendor gets paid or you are refunded. So, we've given the option to vendors to hedge the future payments they are expecting from escrow such that the dollar value of the payment doesn't change as the Bitcoin exchange rate changes.

For example, a vendor is hedging the escrow for a 10 btc order you place with them, and the dollar value of your order when you purchase it is \$100. Now, let's say your order never arrives and your vendor agrees to a full refund, but those 10 btc are no longer worth \$100, they're worth \$50! Because your vendor hedged the escrow, you won't get a refund of 10 btc, you'll get 20 btc equaling the original value of \$100. Of course, the opposite is also true. If Bitcoins appreciate in value while your order is in escrow, your refund will be fewer Bitcoins, but still equaling the original dollar value.

When checking out, you will see which orders will be hedged and which won't. After the order is placed, your escrow balance will reflect the dollar value of your hedged orders and the Bitcoin value of your unhedged orders. All hedged orders are hedged as soon as the order is placed. So when getting a refund for hedged items, don't be surprised if the number of Bitcoins you get back is not the same as the amount you paid.

Receiving packages

Use a different, unrelated address than the one where your item will be kept such as a friends house or P.O. box. Once the item arrives, transport it discretely to its final destination. Avoid abandoned buildings or any place where it would be suspicious to have mail delivered.

Do not sign for your package. If you are expecting a package from us, do not answer the door for the postman, let him leave it there and then transport it as described above. Do not use your real name. This tactic doesn't work in some places because deliveries won't be made to names not registered with the address. If you think this is a problem, send your self a test letter with the fake name and see if it arrives.

If you follow these guidelines, your chances of being detected are minimal. In the event that you are detected, deny requesting the package. Anyone can send anyone else anything in the mail.

Purchasing statistics

Because you are totally anonymous on Silk Road, the vendors here have no way of knowing if they can trust you at first. To help them judge whether they want to do business with you or not, some statistics are kept about your past purchases. When you purchase an item, before the order is accepted, your vendor can see how long you have been a member on the site, how many orders have been shipped out to you, and what percentage of the payments you made for those purchases were ultimately refunded to you. They can also see how many orders you ignored and allowed to "auto-finalize." So, the best way to keep a good reputation and eventually be accepted by all of the vendors here is to finalize your orders as soon as they arrive and you confirm they are good, and to only request a refund when you deserve it. The statistics are weighted toward the present, so you must keep up your good behavior, but if you have a bad streak, you can recover by doing well going forward. You can view your own stats at any time by clicking the link on your account page.

Final note

We do everything we can to protect your anonymity and ensure that your visits here bring you great satisfaction. However, you should understand the risks of possessing and using any of the items you purchase here. Research these matters before jumping in and be responsible for your actions. Learn how Tor and Bitcoin work so you can understand how to use them and where their limitations are. If you have any questions or concerns, we are here to support you.

This page was last modified on 1 April 2012, at 22:26.

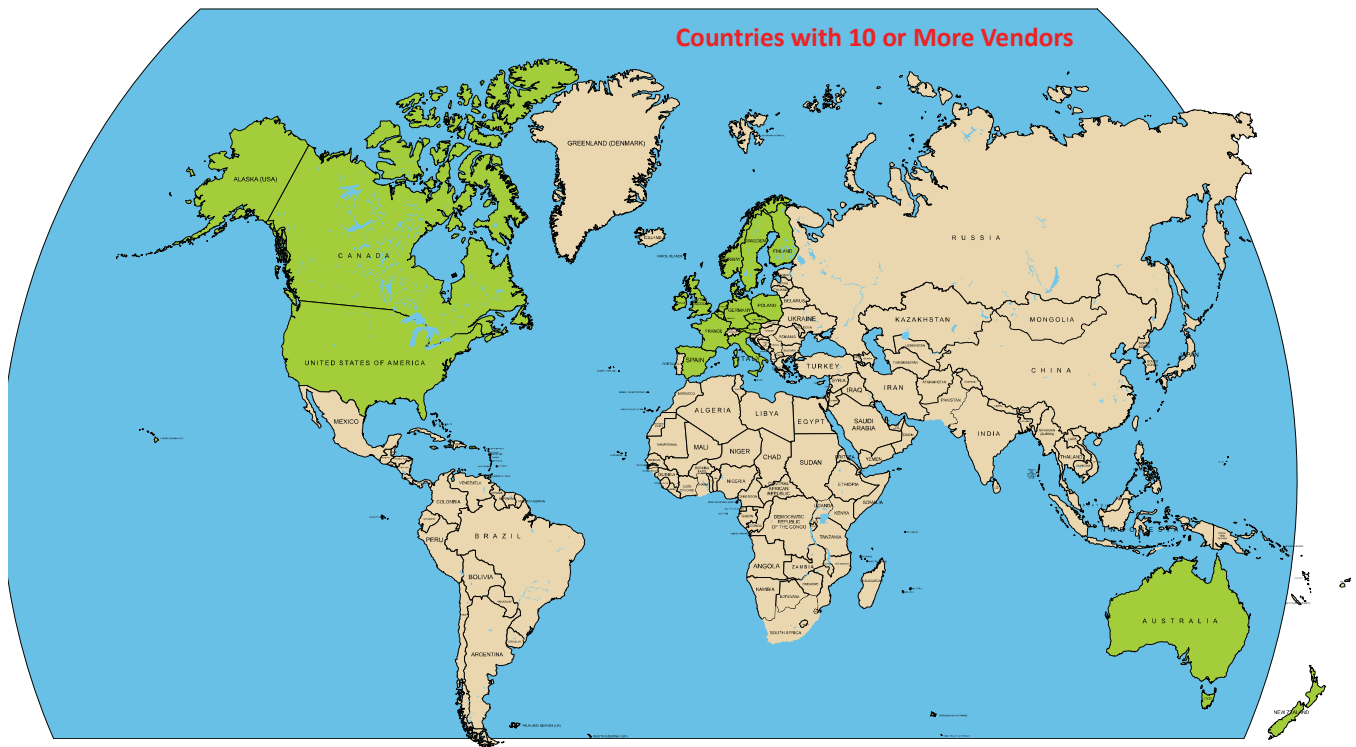
This page has been accessed 14,996 times.

[Privacy policy](#) [About Silk Road wiki](#) [Disclaimers](#)



Exhibit 4

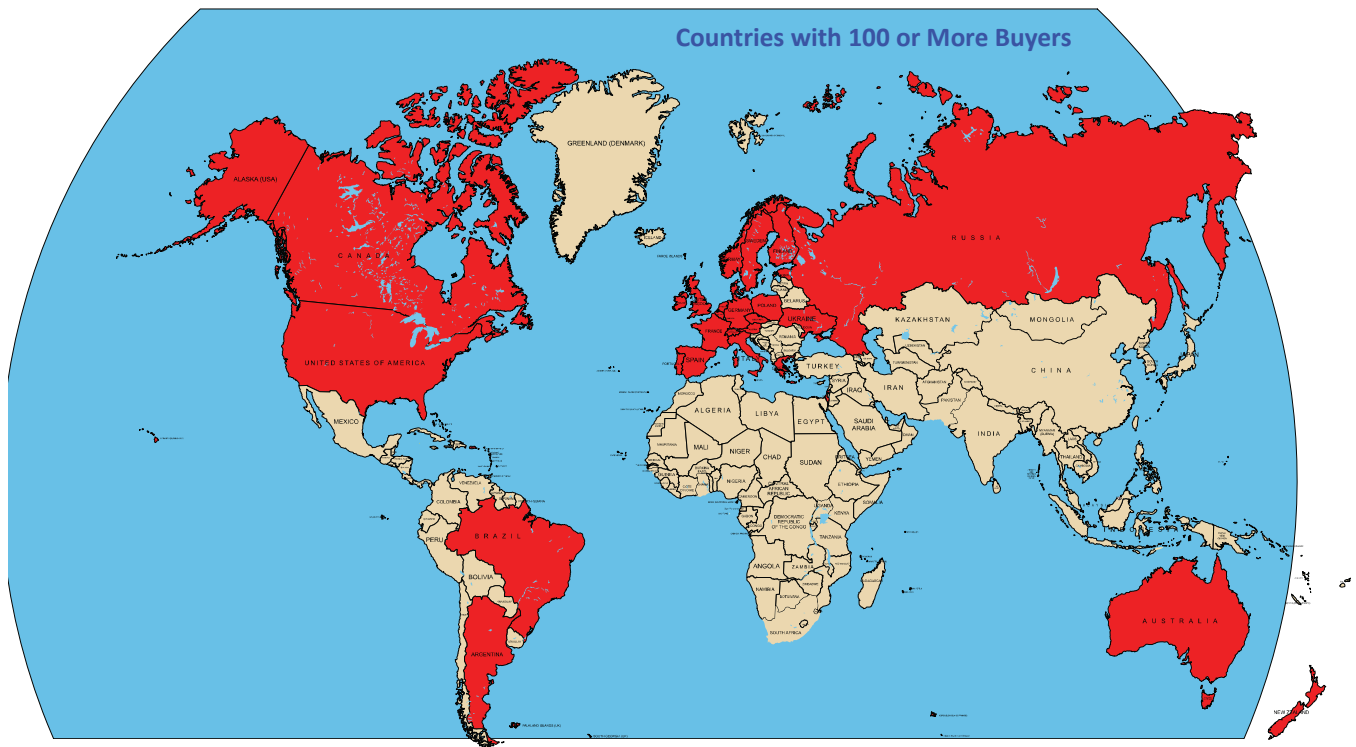
SA-132



**GOVERNMENT
EXHIBIT
940 F
14 Cr. 68 (KBF)**

Exhibit 5

SA-133



**GOVERNMENT
EXHIBIT
940G**
14 Cr. 68 (KBF)

Exhibit 6

SA-7

658

Silk Road discussion / Re: State of the Road Address

« on: January 10, 2012, 02:17 am »

GOVERNMENT
EXHIBIT
125 J
14 Cr. 68 (KBF)

Thank you everyone for your comments and suggestions. One suggestion I especially like is the one about commission being affected by trade volume. To those of you that are either supportive of the change, or have faith in what I am doing regardless of whether you see the point or not, thank you for your support! I have done everything I can to earn that trust and I cherish it.

To those of you chalking my actions up to pure greed and ignoring the context for the changes, I say shame on you. When have I lied? When have I cheated or stolen from anyone here? When have I treated anyone unfairly? When have I lead you astray? Why do you turn on me now when I have poured my heart and soul into this community and project?

10% on \$50 orders? We are talking about an extra \$1.88! A \$10 order? An extra 38 cents! Do you think this site built itself? Do you think it runs itself? Do you have any clue what goes on behind the scenes to keep this going? Do you have any idea the risk the people operating this site are taking? Do you have any clue what we've been through to get here today? Do you have any clue what it's going to take to get through the next year?

Whether you like it or not, I am the captain of this ship. You are here voluntarily and if you don't like the rules of the game, or you don't trust your captain, you can get off the boat. For those that stay, we at Silk Road will continue to do everything in our power to keep this market running smoothly and safely, and thank you again for your support!

Reply Quote Notify Remove

Exhibit 7

SA-26

2010

I started the year in the middle of my stint with Good Wagon Books.

Donny and I had worked on it the last quarter of 2009 and were trying to ramp up by hiring people to go door-to-door. It was a real struggle and by the end of our trial partnership, it was clear that we hadn't grown the business to the point that it made sense for me to stay on. I also had an offer for a job from Peter and David that sounded great and I was ready to move on and work for them on their private equity venture. Unfortunately, they were all smoke and mirrors and after several weeks of them not returning my calls, I realized there was not an opportunity for me there. This was extremely discouraging. There I was, with nothing. My investment company came to nothing, my game company came to nothing, Good Wagon came to nothing, and then this.

I had to find a job quickly, so I turned to Craig's List and found American Journal Experts. For the next six months, I edited scientific papers written by foreigners. It sucked. The hours were flexible, but it drained me. I hated working for someone else and trading my time for money with no investment in myself.

Up to this point, I had been working on selling my rental house in Pennsylvania. It had helped me stay afloat with around \$600/mo in cashflow, but finally the sale came to a close. I made about \$30k off the whole thing, and could finally start trading again. I had been practice trading for a while and saw an opportunity to take my \$30k and make it as a day trader. \$30k isn't alot to start with, and I didn't get off to a very good start with my trading.

Around that time, another opportunity came into my life. Donny had gotten a job offer from his brother in Dallas to be the VP of sales at their milling company. He didn't know what to do about Good Wagon, which he had grown somewhat to the point that he was making around \$6k per month in sales. He made me an offer. 50% of the company and a \$3k per month salary to take over and run the business going forward. I took the deal and we went to work on it. By the end of the



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year, we had our best month on record with around \$10k in sales in December.

While all of this was happening, I began working on a project that had been in my mind for over a year. I was calling it Underground Brokers, but eventually settled on Silk Road. The idea was to create a website where people could buy anything anonymously, with no trail whatsoever that could lead back to them. I had been studying the technology for a while, but needed a business model and strategy. I finally decided that I would produce mushrooms so that I could list them on the site for cheap to get people interested. I worked my ass off setting up a lab in a cabin out near Bastrop off the grid. In hindsight, this was a terrible idea and I would never repeat it, but I did it and produced several kilos of high quality shrooms. On the website side, I was struggling to figure out on my own how to set it up. Driving out to Bastrop, working on Good Wagon, and trying to keep up my relationship with Julia was taking all of my time. By the end of the year, I still didn't have a site up, let alone a server.

I went through a lot over the year in my personal relationships as well. I had mostly shut myself off from people because I felt ashamed of where my life was. I had left my promising career as a scientist to be an investment adviser and entrepreneur and came up empty handed. More and more my emotions and thoughts were ruling my life and my word was losing power. At some point I finally broke down and realized my love for people again, and started reaching out. Throughout the year I slowly re-cultivated my relationship with my word and started honoring it again.

My relationship with Julia was pretty rocky throughout the year. We even broke up for about a month and half toward the end. I

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couldn't even tell you now why it was a struggle, or why we broke up. On my side, I wasn't communicating well at all. I would let little things build up until I got mad. We eventually got back together and even moved in together, and it has been amazingly good since.

In 2011, I am creating a year of prosperity and power beyond what I have ever experienced before. Silk Road is going to become a phenomenon and at least one person will tell me about it, unknowing that I was its creator. Good Wagon Books will find its place and get to the point that it basically runs itself. Julia and I will be happy and living together. I have many friends I can count on who are powerful and connected.

Exhibit 8

SA-127

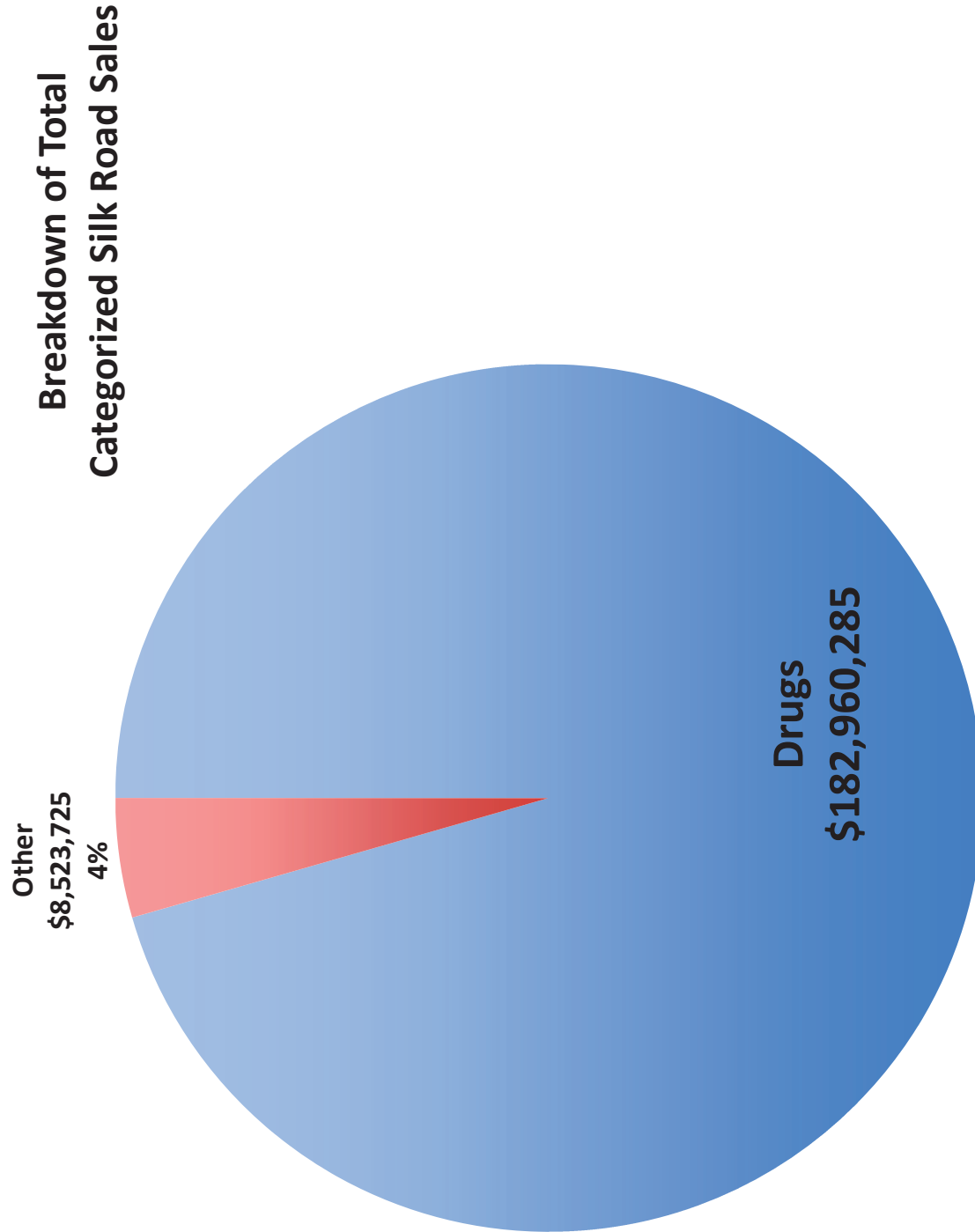


Exhibit 9

SA-128

Sales of Fake IDs, Forgeries & Passports

	Total Number of Sales	Total Sales Revenue
Fake IDs	3,642	\$ 699,053
Forgeries	3,487	\$ 197,291
Passports	103	\$ 105,292
TOTAL	7,232	\$ 1,001,636



Exhibit 10

Sales in Money-Related Categories

	Total Number of Sales	Total Sales Revenue
Money	14,345	\$ 2,846,025
Digital Currencies	18,134	\$ 177,167
Gold	81	\$ 159,944
Bullion	122	\$ 80,952
Silver	138	\$ 9,746
TOTAL	32,820	\$ 3,273,833

